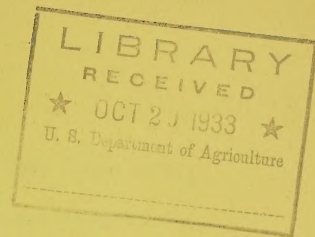


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Immediate Release

October 2, 1933.

COTTON TEXTILE MANUFACTURERS
TESTIFY ON COMPENSATORY TAX

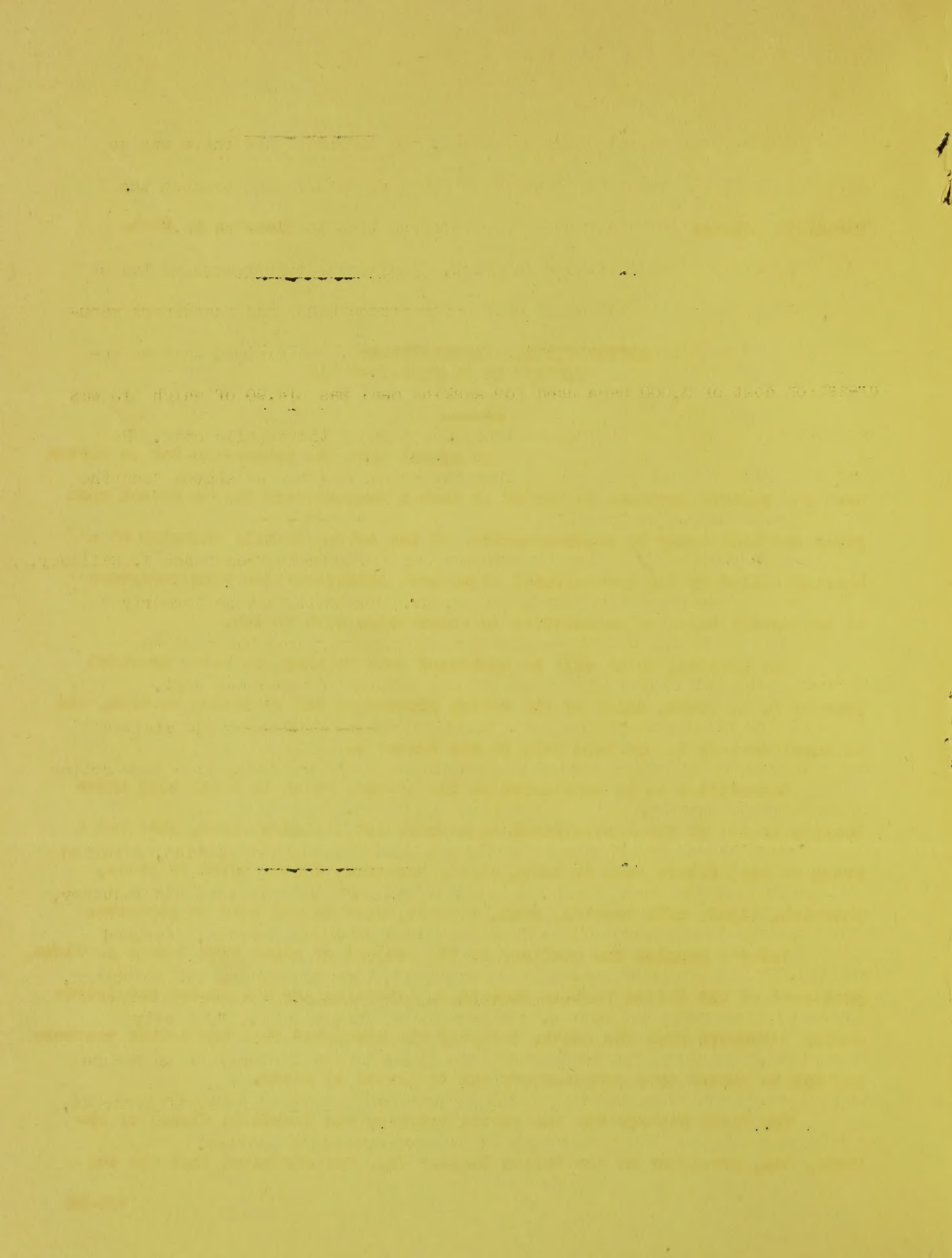
An appeal that the processing tax on cotton used for certain purposes be abated or that a compensatory tax be placed upon paper was made today by representatives of the cotton textile industry at a hearing called by the Agricultural Adjustment Administration with reference to processing taxes on commodities in competition with cotton.

The hearing, which will be continued into Tuesday, is being presided over by D. S. Murph, chief of the cotton processing and marketing section, and is supplementary to one held July 31 and August 1.

Commodities to be considered at the hearing which is being held under Section 15 (d) of the Agricultural Adjustment Act includes paper, jute and a group of hard fibers such as hemp, sisal, henequen, abaca, istle or ixtle, phormium, kipak, crin vegetal, sunn, cantala, piteria and coir or piassava.

Today's session was confined to the subject of paper with George A. Sloan, president of the Cotton Textile Institute, directing the discussion and introducing witnesses from the cotton industry who advocated that the cotton processing tax be abated or a compensatory tax be levied on paper.

The first witness for the cotton industry was Norman B. Elsas, of Atlanta, Ga., president of the Fulton Bagging Co., who advocated that the tax



on cotton manufactured into bags be abated. He asserted that there was no formula whereby the range of competition could be established because the competitors of cotton bags ranged "from tobacco tins to flour sacks."

Mr. Elsas cited instances in which, he claimed, the processing tax on cotton had caused cancellation of orders for cotton bags, and containers manufactured from competing fibers had been substituted. He claimed that an increase on cost of 5,000 bags used for sacking meal was \$14.90 of which \$13 was processing tax and \$1.90 increased labor costs under the textile code. He concluded his evidence with a plea that the processing tax be abated "and the economic equilibrium restored."

Substantiating Mr. Elsas' testimony was a statement from Cason J. Callaway, cotton textile manufacturer from LaGrange, Ga., who said that he formerly manufactured his own cotton bagging for shipping purposes but that the processing tax had caused him to use burlap because of the lower cost.

At the afternoon session, Mr. Sloan introduced witnesses who claimed that the processing tax on cotton was causing a shift in consumption from cotton towels to paper towels.

Jonas Mayer, president of the Chicago Linen Supply Corporation, asserted that "paper competes with us on the basis of price." He said that his industry, which provides towel service in the major cities of North America, consumed some 420,000,000 yards of cotton goods annually. The processing tax on cotton, he claimed, increased the cost of the service by $2\frac{1}{2}$ per cent. "Our only alternative," he said, "is to increase the price to our customer or to reduce our profits." Mr. Mayer said that the $2\frac{1}{2}$ per cent increased cost, if absorbed, meant a reduction of $33\frac{1}{3}$ per cent of the corporation's profits.

in the year 1776, the Continental Congress declared the colonies independent of Great Britain, and on the 4th of July, 1776, the Declaration of Independence was adopted.

The first step towards independence was the adoption of the Declaration of Independence.

The Declaration of Independence was adopted on the 4th of July, 1776, at the Continental Congress in Philadelphia.

The Declaration of Independence was a statement of the colonies' reasons for separating from Great Britain.

The Declaration of Independence was a statement of the colonies' rights as free and independent states.

The Declaration of Independence was a statement of the colonies' determination to defend their rights.

The Declaration of Independence was a statement of the colonies' belief in the rights of man.

The Declaration of Independence was a statement of the colonies' belief in the principles of justice and equality.

The Declaration of Independence was a statement of the colonies' belief in the power of the people.

The Declaration of Independence was a statement of the colonies' belief in the power of the law.

The Declaration of Independence was a statement of the colonies' belief in the power of the truth.

The Declaration of Independence was a statement of the colonies' belief in the power of the good.

The Declaration of Independence was a statement of the colonies' belief in the power of the just.

The Declaration of Independence was a statement of the colonies' belief in the power of the noble.

The Declaration of Independence was a statement of the colonies' belief in the power of the brave.

The Declaration of Independence was a statement of the colonies' belief in the power of the wise.

The Declaration of Independence was a statement of the colonies' belief in the power of the strong.

The Declaration of Independence was a statement of the colonies' belief in the power of the great.

The Declaration of Independence was a statement of the colonies' belief in the power of the mighty.

The Declaration of Independence was a statement of the colonies' belief in the power of the glorious.

The Declaration of Independence was a statement of the colonies' belief in the power of the eternal.

The Declaration of Independence was a statement of the colonies' belief in the power of the infinite.

The Declaration of Independence was a statement of the colonies' belief in the power of the divine.

The Declaration of Independence was a statement of the colonies' belief in the power of the holy.

The Declaration of Independence was a statement of the colonies' belief in the power of the blessed.

He claimed that numerous large customers who had been using cotton towel services were substituting paper. He cited the Sears-Roebuck Co. as an example, stating that their purchasing agent had declined to pay the increased cost of $2\frac{1}{2}$ per cent and had substituted paper towels.

Under the order of procedure read by Chairman Murph at the beginning of the hearing, representatives of the paper industry will be heard after the presentation of the cotton textile industry's testimony on this point. The next commodity to be taken up will be jute.

The hearing Tuesday will be resumed at 9:30 a.m. Tuesday in Hearing Room No. 1 of the U. S. Tariff Commission at 8th and E streets, N. W. and will convene at 9:30 o'clock.

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